

VZCZCXRO8180
PP RUEHBZ RUEH DU RUEHMR RUEHPA RUEHRN RUEHTRO
DE RUEHSA #2679/01 3641547
ZNY CCCCC ZZH
P 301547Z DEC 09
FM AMEMBASSY PRETORIA
TO RUEHC/SECSTATE WASHDC PRIORITY 0758
INFO RUEHZO/AFRICAN UNION COLLECTIVE
RUEHTN/AMCONSUL CAPE TOWN 7474
RUEH DU/AMCONSUL DURBAN 1538
RUEHJO/AMCONSUL JOHANNESBURG 9830
RHEFDIA/DIA WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RHEHNSC/NSC WASHDC

C O N F I D E N T I A L SECTION 01 OF 03 PRETORIA 002679

SIPDIS

DEPARTMENT PASS TO USTR FOR WILLIAM JACKSON

E.O. 12958: DECL: 12/22/2019

TAGS: [PGOV](#) [PREL](#) [EFIN](#) [EINV](#) [ECPS](#) [ETRD](#) [MARR](#) [MASS](#) [SF](#)

SUBJECT: ANC TREASURER GENERAL MATHEWS PHOSA SATISFIED WITH
BILATERAL RELATIONSHIP, SEEKS STRENGTHENED TIES

PRETORIA 00002679 001.2 OF 003

Classified By: Ambassador Donald H. Gips for reasons 1.4 (b) and (d).

Summary

¶1. (C) African National Congress (ANC) Treasurer General Mathews Phosa hosted Ambassador Donald Gips and Deputy Chief of Mission Helen La Lime for a meeting that covered current domestic political dynamics, President Jacob Zuma's policies, and the relationship between the United States and South Africa. Phosa said he is worried about the ongoing tensions within the ANC and with its alliance partners. He reiterated his argument from previous meetings with U. S. officials that Zuma is a good leader who will make South Africa stronger. The ANC Treasurer General also expressed how much Zuma and the ANC appreciate their relationship with President Obama and his administration. Looking forward, Phosa said South Africa would benefit from increased trade with the United States and assistance in bolstering the government's capacity. End Summary.

Tripartite Tensions Not Going Away

¶2. (C) Ambassador Gips and Deputy Chief of Mission La Lime, accompanied by Poloff (notetaker), met with ANC Treasurer General Mathews Phosa on December 17 in his offices in Sandton. Phosa opened the meeting by discussing ongoing tensions within the ruling tripartite alliance - the ANC, South African Communist Party (SACP) and COSATU trade union federation. He conceded that anti-communism within the ANC is growing and that conflicts have more to do with personalities than issues. He cited the recent debate over nationalization of the country's mines as one example where the debate is about personal ambitions and not whether such a policy would enhance South Africa's economy. He added the feud between Julius Malema and Jeremy Cronin is not about nationalization or "bad blood" between the ANCYL President or the SACP Deputy Secretary General. Rather, Phosa opined the feud is a way for Malema to attack SACP Secretary General Blade Nzimande and SACP National Chairperson Gwede Mantashe. He said, "They are all talking about 2012. The ANCYL thinks Mantashe is conflicted in his roles as SACP chair and ANC Secretary General." Phosa relayed a story about a private meeting he attended with Malema and Mantashe in which Malema pointed at the ANC Secretary General and accused him directly of being "conflicted" because he plays a role in both parties.

13. (C) The ANC Treasurer General said the ANC needs a "cool down" period soon or the 2012 party congress "will be worse than Polokwane." Phosa admitted that even he is in danger of losing his position at the congress. He complained that it was harmful for so many members to be talking about the leadership succession question so long before the ANC's next leadership elections. Phosa said that he began organizing Kgalema Motlanthe's campaign for ANC Deputy President 12 months before the 2007 congress, yet he now sees party members campaigning three years before the next congress. He predicted that "a center" of consensus would form ahead of the congress, but also noted that there may be more than one center. Phosa said he tried to convince Malema to "cool down" his dispute with the Young Communist League (YCL) and Qdown" his dispute with the Young Communist League (YCL) and its leader Buti Manamela, but could not assure that this happened because he was on the ruling party's trip to China in late November.

Insight into Zuma and His Policies

14. (C) When talking about Zuma's tenure so far, Phosa smiled and said, "I told you Zuma would be a good leader." According to Phosa, Zuma will make South Africa a better country. He noted that there had been a move away from many of former President Thabo Mbeki's policies. He thanked the United States for its continued assistance on HIV/AIDS and called that help "most unbelievable." Phosa said the ANC put Health Minister Aaron Motsoaledi into his position because it knew from his work in Limpopo Province that he was a good administrator. Phosa added, "When he gave a presentation to the NEC (the ANC's National Executive Committee) on South

PRETORIA 00002679 002.2 OF 003

Africa's HIV crisis, it frightened the senior members of our party." Phosa noted the fear he instilled into the NEC drew interest from all of the party's members. The ANC Treasurer General also said Zuma does not share some of Mbeki's more anti-Western prejudices. He stated, "Zuma's interactions with President Obama are very important to South Africa and to the ANC. We need to continue this relationship." (Note: Phosa also said, "Only a fool does not know the place of the United States in the world." End Note.)

15. (C) Ambassador Gips told Phosa that the United States wants to do more to help South Africa rebuild the South African National Defense Forces (SANDF). Phosa said that he personally wants to ensure the SANDF is a leader on the continent because the military helps the South African Government achieve its foreign policy goals by contributing to regional peacekeeping efforts. He noted, "We are coming under pressure from other countries to do more on the continent. We need to modernize. I will raise your interest in helping us with Zuma and Minister of Defense and Veterans Affairs Lindiwe Sisulu." He also offered to be a broker between the U.S. and Minister Sisulu whenever there are defense-related USG visitors, declaring, "Please call me when you have visitors from the U.S. Defense Department."

16. (C) Phosa said the South African Government (SAG) wants more security cooperation. Referring back to an October 2008 meeting between Zuma and FBI officials, also attended by Phosa, the ANC Treasurer General highlighted the need for the 17 U. S. and South Africa to cooperate more on the security front. Deputy Chief of Mission La Lime conveyed that the United States ahead of the 2010 World Cup is doing more than it has ever done before in South Africa through training programs, courses, and assistance to the South African Police Service at the national and municipal levels. Ambassador Gips added that the Federal Bureau of Investigation recently completed a hostage rescue training program in South Africa which we believed was a success for both our governments.

Looking Forward

17. (C) Ambassador Gips asked Phosa what sort of programs the U.S. could pursue in South Africa in future. Phosa answered, "South Africa wants more trade with the United States." He added that increased trade would lead to more jobs and to greater dialogue. He also said that South Africa needs to do more on corruption and government planning to strengthen South Africa. To that end, Phosa said the government would benefit from U.S. training in capacity building. He said, "We do not need money, but we do need help building government institutions and ensuring the separation of state and ruling party." Phosa related that he and others gave significant input into the formation of the government's National Planning Commission. The ANC Treasurer General added that the ANC would appreciate further conversations between Presidents Obama and Zuma.

18. (C) Ambassador Gips turned the discussion to the SAG's Black Economic Empowerment (BEE) program. The Ambassador relayed that while American businesses are happy with BEE and understand the necessity of the program, they are unhappy to understand the necessity of the program, they are unhappy with some elements of the BEE scorecard system and the economic equivalents part of the policy. Phosa said that he could see why some companies might find that element of the policy unsatisfactory. He said, "Multinationals should be treated in a different way than South African companies." He added he and Business Unity South Africa would need to sit down to re-look at how to make it easier for companies to comply with BEE. Ambassador Gips also suggested the United States could do more with South Africa on telecommunications. Phosa said South Africa is not doing enough in this area and suggested having someone at the U.S. Embassy reach out to the Communications Minister (or a member of his staff) to talk through ways of doing more.

Comment

19. (C) Phosa, who is close both to Zuma and Deputy President Motlanthe, speaks with authority. His views on the

PRETORIA 00002679 003.2 OF 003

seriousness of the current feud between the ANC and its alliance partners are worrying, since they suggest a risk of escalating infighting over the next three years, which could distract Zuma. More positively, Phosa confirmed the ANC is committed to making progress against HIV/AIDS, strengthening the South African military, and sustaining ties to the West. Also encouraging are Phosa's views on the areas for future cooperation between the USG and SAG, particularly in the areas of increasing trade and working together to fight corruption. Phosa has a long track record of reassuring foreign contacts about the ANC's goals. The key question after every meeting with him is whether the rest of the ruling party shares his outlook. Our sense is that, at least in this instance, he shares Zuma's views. End Comment.
GIPS